UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/654,627	09/05/2000	James Peterson	SCHW-600	7348

28584 7590 04/21/2005

STALLMAN & POLLOCK LLP
SUITE 2200
353 SACRAMENTO STREET
SAN FRANCISCO, CA 94111

EXAMINER	
COLBERT, ELLA	
ART UNIT	**PAPER NUMBER**
3624	

DATE MAILED: 04/21/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/654,627	PETERSON ET AL.	
	Examiner	Art Unit	
	Ella Colbert	3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *18 January 2005*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *20 and 27* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *20 and 27* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

1. Claims 20 and 27 are pending. Claims 28-30 have been cancelled and claims 20 and 27 have been amended in this communication filed 1/18/05 entered as Response to Non-Final Action.

2. The Request for an Extension of Time filed 1/18/05 has been entered and granted.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claim 20 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 20, page 3, lines 10-17 recites wherein when the first step does not provide an optimal solution with any of the predefined sets of initial weights, the second step is performed, wherein the second step includes: using a best solution from the first step as a starting point and then re-running the optimization routine using only those investments with non-zero weights from best solution of the first step to identify the optimal solution providing an optimum weight for each investment of the group of possible investments to be held in the portfolio. This claim limitation is confusing and unclear. There appears to be words or steps missing from the claim limitation.

Claim Objections

5. Claim 27 is objected to because of the following informalities: claim 27 recites "..., wherein the during the first step of the iterative routine the processor is programmed to use three sets of predetermined initial weights ...". This claim would be better recited as "..., wherein during the first step of the iterative routine the processor is programmed to use three sets of predetermined initial weights ...". Appropriate correction is required.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

7. Claims 20 and 27 are rejected under 35 U.S.C. 103(a) as being unpatentable over (US 2002/0013754 A1) Frank et al, hereafter Frank in view of (US 5,918,217) Maggioncalda et al, hereafter Maggioncalda.

Claim 20. Frank teaches, In a computer system a method for characterizing an investment portfolio, comprising the steps of: identifying a group of possible investments to be held in the investment portfolio, and wherein the group of possible investments includes a plurality of mutual funds, and one or more of the plurality of mutual funds having a corresponding investment minimum (page 1, col. 1. [0003] and fig. 1 (20, 24, 26, and 28); inputting data for taxable investments; inputting data for non-taxable investments (page 1, col. 1 [0004], page 2, col. 2 [0017] and [0021] and fig. 2 (32, 40, and 46); inputting investor profile information (page 4, col. 1 [0045] –col. 2 [0048];

providing a processor programmed to perform an iterative routine that provides an optimization which utilizes the data for the taxable investments, the data for the non-taxable investments and the investor profile information and accounts for capital gains or losses on taxable investments which would be sold (col. 7, line 32- col. 9, line 32); and outputting an investment recommendation (page 5, col. 1 [0069] -col. 2 [0059] – page 6, col. 1 [0068], fig. 7, and fig. 8]); wherein the iterative routine provides an investment recommendation which includes a recommended weighting for each investment held in the investment portfolio (page 8, col. 2 [0094] –page 9, col. 1 [0098]); wherein the processor is further programmed to output the investment recommendation (page 5, col. 2 [0059] – [0060]); wherein the iterative routine performed by the processor includes an optimization routine, and the iterative routine includes a first step, a second step, and a third step, and the three steps are executed automatically, without any user interaction (page 8 [0091] and page 9, col. 1 [0097]); wherein the first step provides for running the optimization routine using different sets of predetermined initial weights for each of the possible investments in an attempt to identify an optimal solution which provides an optimum weight for each investment of the group of the possible investments to be held in the portfolio (page 9, col. 1 [0098]-page 10, col. 1 [0112]); and Wherein after the optimal solution is found using the first step or the second step, performing a third step of re-running the optimization routine to account for a minimum investment value which corresponds to a mutual fund to be held in the portfolio (page 2, col. 2 [0021], page 4 [0046]-page 5, col. 1 [0057] and [0062]).

Frank failed to teach, wherein when the first step does not provide an optimal solution with any of the predefined sets of initial weights, the second step is performed, wherein the second step includes: using a best solution from the first step as a starting point and then re-running the optimization routine using only those investments with non-zero weights from best solution of the first step to identify the optimal solution providing an optimum weight for each investment of the group of possible investments to be held in the portfolio. Maggioncalda teaches, wherein when the first step does not provide an optimal solution with any of the predefined sets of initial weights, the second step is performed, wherein the second step includes: using a best solution from the first step as a starting point and then re-running the optimization routine using only those investments with non-zero weights from best solution of the first step to identify the optimal solution providing an optimum weight for each investment of the group of possible investments to be held in the portfolio (col. 6, lines 49-57, col. 8, line 16-col. 9, line 40, col. 10, line 20 –col. 11, line 31, and fig. 4 (430). It would have been obvious to one having ordinary skill in the art at the time the invention was made to have the first step to not provide an optimal solution with any of the predefined sets of initial weights, the second step is performed, wherein the second step includes: using a best solution from the first step as a starting point and then re-running the optimization routine using only those investments with non-zero weights from best solution of the first step to identify the optimal solution providing an optimum weight for each investment of the group of possible investments to be held in the portfolio and because such modification

would allow Frank to incorporate problem solving methodologies to offer full interactive explanatory capabilities that clients can understand.

Claim 27. Frank teaches, The method of claim 20, wherein the during the first step of the iterative routine the processor is programmed to use three sets of predetermined initial weights for each of the possible investments (page 2, col. 2 {0021], page 4 [0046] –page 5, col. 1 [0057] and [0062]).

Response to Arguments

8. Applicant's arguments with respect to claims 20 and 27 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

9. The prior art made of record and not relied upon is considered pertinent to Applicant's disclosure. **Applicant is respectfully requested to review the cited references prior to responding to this Office action.**

Frank et al (US 6,240,399 B1) disclosed investment optimization.

Edesess (US 5,884,287) disclosed creating an optimal investment plan and providing a graphical representation of an efficient portfolio.

Boes (US 5,193,056) disclosed a hub and spoke financial services configuration.

Scott et al (US 2003/0078867) disclosed a portfolio optimization framework.

Inquiries

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ella Colbert whose telephone number is 571-272-6741. The examiner can normally be reached on Monday-Thursday, 6:30AM-5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 571-272-6747. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

E. Colbert
April 18, 2005